

Mark Pryor

AMENDMENT NO. _____ Calendar No. _____

Purpose: To allow an annual rollover of unused health FSA funds up to \$1,000.

IN THE SENATE OF THE UNITED STATES—111th Cong., 1st Sess.

H. R. 3590

To amend	AMENDMENT NO 3171	modify
the	By <i>Pryor</i>	members
of	To: <i>Amct. 2786</i>	employees
employees		
	<i>3</i>	
Referr	Page(s)	and

GPO: 2008 45-608 (unic)

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. PRYOR to the amendment (No. 2786) proposed by Mr. REID

Viz:

1 On page 1999, between lines 20 and 21, insert the
2 following:

3 **SEC. 9005A. ANNUAL ROLLOVER OF HEALTH FSA BAL-**
4 **ANCES.**

5 (a) IN GENERAL.—Subsection (i) of section 125 of
6 the Internal Revenue Code of 1986, as added by section
7 9005(a)(2), is amended—

1 (1) by striking all matter before “if a benefit”
2 and inserting the following:

3 “(i) SPECIAL RULES APPLICABLE TO HEALTH
4 FLEXIBLE SPENDING ARRANGEMENTS.—

5 “(1) LIMITATION ON CONTRIBUTIONS TO
6 HEALTH FLEXIBLE SPENDING ARRANGEMENTS.—

7 For purposes of this section,” and

8 (2) by adding at the end the following new
9 paragraph:

10 “(2) ALLOWANCE OF CARRYOVER OF UNUSED
11 AMOUNTS IN HEALTH FLEXIBLE SPENDING AR-
12 RANGEMENTS.—

13 “(A) IN GENERAL.—For purposes of this
14 title, a plan or other arrangement shall not fail
15 to be treated as a cafeteria plan solely because
16 under the plan or arrangement a participant is
17 permitted access to any unused amounts attrib-
18 utable to salary reduction contributions under
19 such plan or arrangement in the manner pro-
20 vided under subparagraph (B).

21 “(B) CARRYOVER OF UNUSED AMOUNTS.—

22 A plan or arrangement may permit a partici-
23 pant in a health flexible spending arrangement
24 to elect to carry over so much of the unused
25 amounts attributable to salary reduction con-

1 tributions under such plan or arrangement as
2 of the close of any calendar year as does not ex-
3 ceed \$1,000 to the immediately succeeding cal-
4 endar year.

5 “(C) AMOUNTS NOT DEFERRED COM-
6 PENSATION.—No amount shall be treated as
7 deferred compensation for purposes of this title
8 by reason of any carryover under this para-
9 graph.

10 “(D) COORDINATION WITH CONTRIBUTION
11 LIMIT.—The maximum amount which may be
12 contributed to a health flexible spending ar-
13 rangement under paragraph (1) for any cal-
14 endar year to which an unused amount is car-
15 ried over under this paragraph shall be reduced
16 by such amount.”.

17 (b) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to calendar years beginning after
19 December 31, 2010.